



P.O. Box 647
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March 31, 2010

Dear Marina Park Homeowners,

Attached is a copy of the 3/5/10 Board meeting minutes. Important discussion took place regarding funding of the Association's reserves and the necessity of an assessment/dues increase. Several options were discussed at length and recommendations were made by the Board. As noted in the minutes, a final decision has not yet been made on the actual amount of the assessment/dues increase. The Board plans on reaching a decision prior to the June owner's meeting after reviewing any owner comments.

Attached to the minutes is a breakout of what the proposed assessments/dues increase options will mean for each unit. Also attached is a Reserve Study showing the Association's funding if the Board's recommendations are followed.

Please take a few minutes to review the minutes and attachments. It's very important for all owners to understand the financial position of the Association.

Thank you.

MOUNTAIN MANAGERS
Agent for Marina Park

**MARINA PARK
BOARD MEETING
MARCH 5, 2010**

MINUTES

1. **Call to Order.** The meeting was called to order at 5:38 p.m.
2. **Affirmation of Attendance and Quorum.**
 - A. Board members in attendance either in person or via conference call were Rich Rutledge, Jim Buckler, Lance Haeberle, and Phil Abston.

A quorum was established.

Other owners in attendance either in person or via conference call were John Wilson (B10), Jeremiah Floyd (B9), Mary Ann Avery (B11), Zeke Gazett (C15) and Mark Lunny (A5).

Also in attendance was Noah Klug (Attorney).
 - B. Representing Mountain Managers were Phil Wells and Judy Freese (via conference call).
3. **Owner Forum.** A question was asked about ice build up. Snow/ice removal has been accomplished and no internal leaks were reported.
4. **Approval of Minutes from the 10/30/09 Board Meeting.** A motion was made, seconded, and passed to approve the minutes as written.

At this time, attorney Noah Klug talked about collection of unpaid assessments for units 1, 3, and Commercial A. There was a discussion of all the legal options. Noah stated that he needs the Board's OK to proceed. After further discussion, a motion was made, seconded, and passed to have Noah write demand letters for all 3 units. If payment is not received by 4/1/10, foreclosure proceedings will be started. If this goes to foreclosure, the Association will need to submit a bid for what's owed plus all legal fees.

Noah was also asked about options regarding the sprinkler room in Building B. A valve froze and flooded the Commercial B unit. This has happened 3 times. Insurance claims were filed and the HOA is out \$15,000. There appears to be a design defect. There was no insulation on the door and no heat in the room. AGR installed 1 heater last year and another was added this year. Insulation has been added to the door. The Board would like to recover the \$15,000 the HOA has incurred. While AGR did repairs no plan was ever submitted for Board approval and nothing has been done to correct the design flaw. Under certain circumstances, the time spent trying to correct a problem can extend the normal 2 year limit. Noah said he could send a new demand letter requesting payment of the \$15,000 and legal fees. He noted that if there is no positive response, the HOA will need to make a decision on whether or not to incur further cost. The HOA could go to Small Claims Court (\$7,500 limit) which might recoup at least part of the money.

It's important that this be fixed since it could be disastrous if there is a major storm and power outage. Any loss of power would result in no heat in the room and another damaging freeze would most likely occur.

A motion was made, seconded, and passed unanimously to have Noah write a construction defect letter to AGR and Dr. Bernier. Noah stated the letter needs to go to as many people as possible that were associated with this project.

5. **Repair and Maintenance Report** covered the period of 11/09 through 1/10 and included diagnosis of the pool/snow melt boiler issues and rewiring the snow melt boiler circuit from the electrical panel to the pump motor.

6. **Financials.**

- A. January financials were reviewed. On the income side, the dues amount was short by \$3,285. In addition to the 3 major delinquencies there are several smaller amounts that have or will be paid.

Expenses were under budget on most items and any overages were minor. Year-to-date, expenses are under budget by \$3,528.

The balance in the checking account was \$3,305.56 and the money market balance was \$4,958.63. If delinquent accounts are brought current this would change the financial picture. It is believed this will happen; it's just a question of how and when. The Xcel deposit will also be returned which will help.

- B. Delinquencies discussed previously.
 - C. Collection options discussed previously.
 - D. MCR: Phil had revised the MCR to reflect more actual expense. 40% funding is recommended for the MCR. This will be discussed further under Old Business.

7. **Old Business.**

- A. MCR items scheduled for 2010.

With painting coming up this year along with deck staining, siding, and asphalt seal coat/stripe there will be \$79,000 in expense. Adding in the expected Xcel deposit refund and reserves, the HOA will still be \$65,000 short of what's needed. An \$80,000 assessment would be needed to meet expenses. The Association will need to address future funding but right now, the Board needs to decide on an assessment. Lance believes owners should be able to have some input. He stated most would like to hear the Board's recommendations and then be given the opportunity to have their say. It was pointed out that the Board was elected by the membership to represent owners. It would not be feasible to go to owners with every decision. It's the responsibility of the Board to do the research and make a decision.

Phil advised the Board that at this meeting they need to tighten up what MUST be done vs. what the HOA would LIKE to do. Painting has already been deferred and the cost goes up each time it's postponed. The Board noted that the hot tub is not on the list of scheduled projects for 2010. Phil left it off stating there is already too much in expenses for this year. He only put in what he considers to be essential.

Painting was discussed. Some areas are not as bad as others and it was suggested that only the worst areas be done now. Breaking out the painting could prevent a huge assessment every 5-6 years. This has been discussed before. Getting all buildings on the same paint schedule will save money, preserve uniformity, and prevent painting projects every single year. Lance would like to present options to the owners.

Doing a large assessment all at once or over 2 years (2 assessments) was talked about. Phil stated if you did a lesser assessment this year and did the same thing next year you're doubling the hurt. Dues could be raised to avoid future assessments. On the other hand, for some, it may be easier to borrow a lesser amount twice than the larger amount all at once.

If delinquent amounts are collected, reserves are increased next year by \$25,000 (dues increase), plus the \$80,000 assessment, less expenses, there would be \$48,000 left in reserves after the fall painting. The HOA would be on the positive side until 2016. If the HOA bites the bullet and raises dues 15% next year and does the assessment this year, the Association would be made whole for the next 10 years.

More discussion took place on assessment amounts. If the hot tub is to be included, a larger assessment would be needed. \$80,000 is needed for painting. If the hot tub is included the assessment would be \$95,000. If reserves are to be increased (without a dues increase), the assessment would need to be \$125,000.

A question was asked on the \$6,000 allocated for siding. Phil explained that when painting is done there is generally some siding repair needed especially if no painting has been done in 6 years. Any monies not needed for siding repair will go into reserves.

The Board's recommendation is to do the \$80,000 assessment this year and a \$25,000 dues increase next year (this will be refined to a percentage). Rich will prepare a list of options and the Board's recommendations and send to Lance (see attached "Assessment and Dues Increase Options") who will e-mail to owners asking if they wish to comment. The Board will make a final decision in time for the June owner's meeting after receiving owner's comments.

- B. Building B sprinkler system room – discussed previously.

8. **New Business.**

- A. The elliptical machine that is currently in the exercise room needs to be removed ASAP.
- B. Landscaping: No monies have been budgeted for this summer. There are a lot of dead plants which detract from the appearance of Marina Park. Phil moved all landscaping to next year due to financial constraints. It was suggested that if siding repair is less than \$6,000, excess funds could be used for plants. Phil stated that at least the dead plants should be removed to improve appearance. This will be looked at in the spring.

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9. **Schedule Next Board Meeting.** It was pointed out that the Board can make decisions via e-mail. It will be decided at a later date whether to hold a Board meeting prior to or after the HOA meeting in June.
10. **Adjournment.** There being no further business, the meeting was adjourned at 7:20 p.m.

Respectfully submitted:

Judy Freese, Recording Secretary

APPROVED:

Approved via e-mail

3-27-10

Rich Rutledge, President

Date

MARINA PARK

ASSESSMENT AND DUES INCREASE OPTIONS

Unit No.	Unit Square Feet	Percent Share of Common Expense and Ownership						No Dues Increase
						Paint Only	Paint & Hot Tub	Paint & Hot Tub
			\$ 25,000.00	Current Dues	New Dues	\$ 80,000.00	\$ 95,000.00	\$ 125,000.00
D20	2211	5.41%	\$ 112.71	\$ 636.00	\$ 749.00	\$ 4,328.00	\$ 5,139.50	\$ 6,762.50
D19	2214	5.42%	\$ 112.92	\$ 637.00	\$ 750.00	\$ 4,336.00	\$ 5,149.00	\$ 6,775.00
D18	2214	5.42%	\$ 112.92	\$ 637.00	\$ 750.00	\$ 4,336.00	\$ 5,149.00	\$ 6,775.00
D17	2211	5.41%	\$ 112.71	\$ 636.00	\$ 749.00	\$ 4,328.00	\$ 5,139.50	\$ 6,762.50
C16	2248	5.50%	\$ 114.58	\$ 647.00	\$ 762.00	\$ 4,400.00	\$ 5,225.00	\$ 6,875.00
C15	1585	3.88%	\$ 80.83	\$ 456.00	\$ 537.00	\$ 3,104.00	\$ 3,686.00	\$ 4,850.00
C14	2478	6.06%	\$ 126.25	\$ 713.00	\$ 839.00	\$ 4,848.00	\$ 5,757.00	\$ 7,575.00
C13	1619	3.96%	\$ 82.50	\$ 466.00	\$ 549.00	\$ 3,168.00	\$ 3,762.00	\$ 4,950.00
B6	1747	4.27%	\$ 88.96	\$ 503.00	\$ 592.00	\$ 3,416.00	\$ 4,056.50	\$ 5,337.50
B7	2229	5.45%	\$ 113.54	\$ 641.00	\$ 755.00	\$ 4,360.00	\$ 5,177.50	\$ 6,812.50
B8	2229	5.45%	\$ 113.54	\$ 641.00	\$ 755.00	\$ 4,360.00	\$ 5,177.50	\$ 6,812.50
B9	1747	4.27%	\$ 88.96	\$ 503.00	\$ 592.00	\$ 3,416.00	\$ 4,056.50	\$ 5,337.50
B10	1747	4.27%	\$ 88.96	\$ 503.00	\$ 592.00	\$ 3,416.00	\$ 4,056.50	\$ 5,337.50
B11	948	2.32%	\$ 48.33	\$ 272.00	\$ 320.00	\$ 1,856.00	\$ 2,204.00	\$ 2,900.00
B12	948	2.32%	\$ 48.33	\$ 272.00	\$ 320.00	\$ 1,856.00	\$ 2,204.00	\$ 2,900.00
A1	2432	5.95%	\$ 123.96	\$ 700.00	\$ 824.00	\$ 4,760.00	\$ 5,652.50	\$ 7,437.50
A2	2643	6.47%	\$ 134.79	\$ 760.00	\$ 895.00	\$ 5,176.00	\$ 6,146.50	\$ 8,087.50
A3	3137	7.67%	\$ 159.79	\$ 902.00	\$ 1,062.00	\$ 6,136.00	\$ 7,286.50	\$ 9,587.50
A4	1655	4.05%	\$ 84.38	\$ 476.00	\$ 560.00	\$ 3,240.00	\$ 3,847.50	\$ 5,062.50
A5	1625	3.98%	\$ 82.92	\$ 468.00	\$ 551.00	\$ 3,184.00	\$ 3,781.00	\$ 4,975.00
A	514	1.26%	\$ 26.25	\$ 148.00	\$ 174.00	\$ 1,008.00	\$ 1,197.00	\$ 1,575.00
B	494	1.21%	\$ 25.21	\$ 142.00	\$ 167.00	\$ 968.00	\$ 1,149.50	\$ 1,512.50
	40875	100.00%	\$ 2,083.33	\$ 11,759.00	\$ 13,844.00	\$ 80,000.00	\$ 95,000.00	\$ 125,000.00

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